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This single chapter on trade regulations and standards is excerpted from the 2004 (September 2004 Update) Country Commercial Guide for Jordan. The full text of the report is also available on this website.

## **CHAPTER 6. TRADE REGULATIONS AND STANDARDS**

### **Trade Barriers, Tariff and Non-Tariff Barriers**

Jordan's market economy is increasingly open. In recent years, Jordan has acceded to the WTO, finalized a Free Trade Agreement (FTA) with the United States, and, through Qualified Industrial Zones (QIZ) dramatically increased its exports to the United States.

As a member of the WTO, Jordan must reduce its import tariff ceiling to 20%. Under the terms of the FTA, import duties and other trade barriers between Jordan and the United States must be phased out over ten years, ending in 2010.

Companies operating in the QIZs gain quota and duty-free access to the U.S. market.

### **Customs Valuation**

The customs law of 1999 was amended in March 2000 to include WTO-compliant criteria for customs valuation (which is based on certified invoices) and to make the valuation process clearly defined and more transparent. The law restricts customs officers' mandate to use arbitrary valuation but still rewards those who uncover invoice misreporting and impose penalties on importers.

The customs valuation is CIF-based. The value of the imported good is converted into JD at the official central bank exchange rate (1 JD = USD 1.41). In some cases, invoice or export discounts have been included in the valuation by the customs department. Still, the exporter should consult the local importer to determine how to best grant any such discounts or rebates.

### **Import Taxes and Other Related Fees**

Customs tariffs are based on the Harmonized System coding practice. Commodities fall under one of five different tariff rates: zero, 5%, 10%, 20%, and 30%, with the exception of tobacco and alcoholic beverages which are subject to a tariff range of 50–180%, and unwrought gold which is subject to a 0.5% tariff rate. Under the terms of the FTA, these tariffs will be phased out over 10 years, ending in 2010, depending on the initial tariff rate: goods with an initial tariff rate of 5% will be duty-free in the first two years; with an initial rate of 10% within four years; with an initial rate of 15-20% within five years; and with an initial rate of 20% or more, within ten years. Excepted goods as mentioned above will not be affected. The tariff schedule may be accessed at the following web site: [www.customs.gov.jo](http://www.customs.gov.jo)

In addition to customs duties, both imported products and locally produced goods are subject to a 16 value-added tax based on the cost, insurance, and freight (CIF) value at the border. Goods such as pharmaceutical products, agricultural goods, and some petroleum products are exempt from the 16% sales tax. There is a special sales tax that applies to specific items such as, but not limited to, passenger

vehicles, tobacco products, alcoholic beverages and lubricants. The tax rate on these items varies. Tobacco products and alcoholic beverages are subject to a 13% general sales tax in addition to the special sales tax. Non-basic foodstuffs are subject to a 4% general sales tax. For a complete description of these commodities and detailed lists of the general and special sales tax, please visit Jordan's General Sales Tax Department's website at [www.gst.gov.jo](http://www.gst.gov.jo)

### **Import Licenses**

Import licenses are required for imports of:

- Non-commercial shipments exceeding JD 2,000 in value;
- Biscuits of all types;
- Mineral water;
- Dried milk for industry;
- Used tires;
- Items requiring prior clearance from specific authorities (for a complete list, see "special import provisions")

Goods entering the country under temporary entry status, bonded goods and goods benefiting from the investment promotion law are exempt from import licenses (refer to [www.jordaninvestment.com](http://www.jordaninvestment.com)).

All Jordanian and foreign trading companies must either obtain an importer's card from the Ministry of Industry and Trade for customs clearance purposes, or pay Customs a fee equivalent to 5% of the value of the imported goods. At the Ministry, a complete and updated list of all import requirements and provisions is periodically issued. For non-trading entities such as banks, hospitals and hotels, the ministry issues a special, "limited" card that allows the import of goods specific to that entity's purpose.

### **Temporary Entry**

U.S. and Jordanian businesses are treated equally with regard to temporary entry rights. Foreign industrial inputs, raw materials, semi-manufactured inputs used in manufacturing for export purposes, equipment for scientific tests, as well as containers and wrapping material used for packaging domestic produce, can be granted temporary entry status for a maximum three year period, subject to approval by the customs department and the submission of a bank guarantee that represents a scaled percentage of the relevant tariff and tax.

Temporary entry exemptions may be obtained by submitting a written request, accompanied by supporting documentation, to the customs department.

Imported primary, secondary, or complementary inputs used in the production of export goods are exempt from custom duties and all additional import fees on a reimbursable or "drawback" basis. (refer [www.customs.gov.jo](http://www.customs.gov.jo), Customs Law, chapter 6 "Temporary Admission").

### **Import/Export Documentation**

As is the case with exports to other countries, the U.S. government requires submission of a shipper's

export declaration, or SED, if the value of the shipment is greater than \$2,800. Exporters can submit a hard copy or can use the free internet-based system to file ([www.aesdirect.gov](http://www.aesdirect.gov)).

According to the Jordanian Customs Law, every customs declaration must include the following:

For shipments to Jordan, exporters are required to provide, in original form, a commercial invoice indicating value, weight, freight and insurance charges, etc., a certificate of origin, an airway bill, and a packing list. A customs declaration is also required, but only an authorized forwarding agent in Jordan can process the declaration, which must be filed electronically. A general certificate of origin is acceptable and can be obtained from most commercial stationers or downloaded from the Trade Information Center's Web site, [www.export.gov/tic](http://www.export.gov/tic). (Refer to the "Ask the TIC" article entitled "Certificates of Origin: Information and Requirements" which can be viewed by selecting the link marked "Answers to Your Export Questions" at [www.export.gov/tic](http://www.export.gov/tic).)

Both the commercial invoice and the certificate of origin must be certified by the National U.S.-Arab Chamber of Commerce, and then legalized by the Jordanian Embassy or consulate. To locate a National U.S.-Arab Chamber of Commerce view their Web site at <http://www.nusacc.org/>. The fee for certification is \$15 per page/copy of the original. A list of the Jordanian consulates can be accessed at <http://www.jordanembassyus.org/new/consular/consulates.shtml>. The legalization fee for the commercial invoice and the certificate of origin is \$84 per document.

Where the invoice is written in English or another language, the importer is required to provide an Arabic translation. Typically, this is done in handwriting on the actual invoice. The U.S. Commercial Service at the American Embassy in Amman can provide translation services for a fee.

Exporters should be aware that commercial invoices for all shipments from the United States *must* bear a notarized affidavit: I, (name, title, and name of company), hereby swear that the prices stated in this invoice are the current export market prices for the merchandise described, that the products being shipped are of U.S. origin, and that they have been manufactured in the United States. I accept full responsibility for any inaccuracies therein. (Signature)

The Jordanian Customs Department may request other documents related to the shipment as needed.

### **Labeling/Marking Requirements**

Imported products must comply with labeling and marking requirements issued by the Institute of Standards and Metrology and relevant government ministries. These labeling and marking requirements have been made to conform to the relevant WTO directives. Different regulations apply to imported foodstuffs, medicines, chemicals and other consumer products. Importers are responsible for informing foreign suppliers of any applicable labeling and marking requirements.

### **Prohibited Imports**

The government bans the import of plastic waste, the narcotic plant "qat", and diesel passenger cars.

Exporters should always note that U.S. export licenses, though not required for many shipments, are required in certain situations involving national security, foreign policy, short-supply, nuclear non-proliferation, missile technology, chemical and biological weapons, regional stability, crime control, or

terrorist concerns. For more information on export licenses, please refer to the “Ask the TIC” article in *Export America*, which can be viewed online at: [www.export.gov/tic](http://www.export.gov/tic) (click on “Answers to your Export Questions”).

### **Restricted Imports**

Imports of raw leather are restricted to the Jordan Tanning Company; crude oil and its derivatives (except metallic oils) and household gas cylinders are restricted to the Jordan Petroleum Refinery Company; cement is restricted to the Jordan Cement Factories Company; explosives and gun powder are restricted to the Jordan Phosphate Mines Company; and used tires are restricted to tire retreating factories.

### **Special Import Provisions**

Pre-import clearance is required for certain goods. The clearance, once obtained, acts as an import license. However, these clearances are not automatic.

### **DAMAN:**

The Jordan Institute of Standards and Metrology’s DAMAN program is administered through Bureau Veritas offices in Houston or Miami. Jordan adopted a pre-shipment inspection program called DAMAN for all imports entering the country in September 2003. Although some US goods get “green lane” treatment, this still requires at a minimum documentation and pre-approval from implementing organization Bureau Veritas before goods leave the US. The US Government continues to press for a halt to this obstacle to smooth trade flows, which is not in accord with the bilateral Free Trade Agreement and appears to be a technical barrier to trade.

*Following are examples of the categories and items that are currently subject to DAMAN*

- Group (1): Toys
  - Bicycles & wagons
  - Dolls
  - Entertainment toys including puzzles and assembly toys
  - Toys in the form of animals or creatures
  - Toys in the form of sets
  - Toys with engines
- Group (2): Electrical and Electronic Products
  - Cables & electrical wires
  - All types of conductors
  - Circuit Breakers
  - Electrical transformers
  - Receiving devices (television, radio and antenna)
  - Household microwave ovens
  - Household freezers
  - Household vacuum cleaners and water suction appliances
  - Personal computers
  - Telephones, wireless phones and mobiles
  - Fax and telex machines
  - Videos
  - Household clothes drying machines

Air conditioners

Electrical ovens including cooking surfaces, kettles, grills and toasters

- Group (3): Vehicles

Passenger automobiles, trucks and busses (new)

Passenger automobiles, trucks and busses (used)

New tires for passenger automobiles, trucks and busses

- Group (4): Personal Safety Devices

Safety head helmets

Rubber and plastic safety shoes

Eye protectors

Ears protectors

Nose and mouth masks

Safety gloves

**Ministry of Industry and Trade** (these are given out in the form of import licenses): flour and its by-products;

**Ministry of Agriculture:** frozen animal semen, live animals, fresh/chilled/frozen meat, embalmed wild animals, imported milk products (not required for import of dairy products from countries with whom Jordan has concluded a bilateral trade protocol);

**Agricultural Marketing Corporation:** potatoes, onions, garlic, fresh fruit and vegetables (not required for import of fresh fruits and vegetables from countries with whom Jordan has concluded a bilateral trade protocol);

**Ministry of Interior/Public Security Directorate:** arms and ammunitions, explosives, switch-blade knives, fuel-operated toy cars, remote control operated toy planes, electric and electronic games for commercial use, self-defense electric tools;

**Jordan Armed Forces:** military clothing;

**Ministry of Energy and Mineral Resources:** radioactive materials and uranium;

**Telecommunications Regulatory Commission:** wireless receivers and broadcast stations, wireless alarm devices, remote control devices (including motor, garage, window and shutter control; excluding television and video devices), site mapping equipment, wireless receivers and broadcast devices, cellular-phone equipment, wireless microphones, communication terminals, remote control toy-planes (also to be cleared by the Public Security Department of the Ministry of the Interior), mobile TV equipment;

**Radio and Television Corporation:** decoders and satellite receivers;

**Central Bank of Jordan:** color photocopiers;

**Ministry of Health:** all types of medical drugs and antibiotics, food supplements for athletes, potassium bromide, food dyes, asbestos pipes and panels, frozen ice cream, baby food and milk, laser pens, oxygen and nitrogen oxide;

**Ministry of Municipal and Rural Affairs and the Environment:** halogen use materials, freon gas;

**Ministry of Information and Communications Technology:** postal clearing devices;

**Ministry of Water and Irrigation:** artesian well drills;

**Military Security:** small monitoring cameras.

For the import of used electronic equipment (including photocopiers, refrigerators, freezers and pumps), and used gas water heaters and gas ovens, the following conditions apply:

- Equipment must be in suitable, usable condition;
- Equipment must conform to Jordanian and international standards;
- Equipment must be free of any substances, which may negatively affect the environment and the ozone layer;
- Importer must supply a certificate from manufacturing company proving the equipment is under three years old (if a manufacturer's certificate cannot be produced, shipment must be accompanied by certificate of selling agent in the exporting country);
- Ten percent of shipment by value must comprise new spare parts.

### **Export Controls**

The Customs Department, part of the Ministry of Finance, controls goods that enter and exit Jordan. Export licenses are not required for Jordanian-made products, transit goods, free trade zone goods, re-exports or goods entering the country under temporary status. There are exceptions to that rule, particularly with respect to shipments exceeding JD 1,000 (\$1,410) in value to countries that maintain special banking arrangements with Jordan, such as Syria and Iraq. Exports of scrap metal, such as steel, aluminum, or copper, are subject to a fee of JD 25 (\$35).

### **Standards (ISO 9000 Usage)**

The Jordanian Institute of Standards and Metrology ([www.jism.gov.jo](http://www.jism.gov.jo)) is responsible for most issues related to standards, measures, technical specifications and ISO 9000 certification. The number of Jordanian companies that qualified for ISO 9000 and ISO 14000 certifications continues to grow.

### **Free Trade Zones/Warehouses**

Goods may be shipped to Jordan's free trade zones by shipping agents and representatives of land, sea and air transport and clearing firms. All shipping documentation and copies must be received within 72 hours of arrival and before the shipment is unloaded.

Transit goods entering the Kingdom may be stored in warehouses at the port of Aqaba for up to one month, after which goods must be moved to a free zone area.

### *Aqaba Special Economic Zone (ASEZ)*

The Aqaba Special Economic Zone (ASEZ) was established in February 2001 by the Jordanian Government. It was officially launched in May 2001. The Zone offers an exemption from customs duties and sales tax/VAT on all imports to the ASEZ, 5% flat tax on net business income and 7% sales tax on 12 items (for registered enterprises). There are streamlined, on-line business registration and licensing procedures, and a separate customs service creating a positive environment for investment and trade in Aqaba. For additional information, visit [www.aqabazone.com](http://www.aqabazone.com)

### **Membership in Free-Trade Arrangements**

Jordan concluded a Free Trade Agreement (FTA) with the United States in December 2001, making Jordan the fourth country to sign an FTA with the U.S. The agreement commits both parties to establishing a free trade area by 2011. This includes phased reductions in tariffs, down to zero in 10 years, for trade in goods and services. It also streamlines the movement of goods and natural persons.

To qualify for preferential tariffs for export to Jordan, goods from the United States must meet three requirements:

- (1) The good must be produced entirely in the United States. If foreign materials are included, the good may qualify provided that the foreign materials are “substantially transformed” by manufacturing or processing into a U.S. good; and
- (2) The good must contain at least 35 percent U.S. content. Jordanian content, up to 15 percent of the customs value, can count toward the 35 percent U.S. domestic content requirement; and
- (3) Goods must be shipped to Jordan *directly* from the United States.

The U.S. Commercial Service in Amman prepared a U.S. Exporter’s Guide to the U.S.-Jordan Free Trade agreement, which contains practical information on understanding the agreement in addition to a comprehensive listing of goods, and services that gained duties free access. Please contact CS Amman at [amman.officebox@mail.doc.gov](mailto:amman.officebox@mail.doc.gov) or visit [www.buyusa.gov/amman](http://www.buyusa.gov/amman) for details.

Jordan acceded to the WTO in April 2000. Further, the EU-Jordan Association Agreement, which will create a free trade area between Jordan and the EU within a twelve-year transition period, came into force in May 2002. Jordan is also a signatory to the Arab Free Trade Agreement, which will establish a free trade zone with ten of the Arab countries by 2008. Jordan has also signed a free trade agreement with Singapore.

### **Customs Department Contact Information**

Jordan Customs Department  
P.O. Box 90, Amman, Jordan  
Telephone: 962-6-462-3186/8; 462-4394/6  
Fax: 962-6-464-7791  
E-mail: [customs@customs.gov.jo](mailto:customs@customs.gov.jo)  
Web-site: [www.customs.gov.jo](http://www.customs.gov.jo)

Ministry of Industry and Trade  
P.O. Box 2019, Amman, Jordan  
Telephone: 962-6-560-7191/5663774  
Fax: 962-6-560-3721 / 568-4692  
Web-site: [www.mit.gov.jo](http://www.mit.gov.jo)

**Please Note:** Country Commercial Guides are available to U.S. exporters on the website: <http://www.export.gov>. They can be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS.

U.S. exporters seeking further recommendations for trade promotion opportunities in Jordan and country-specific commercial information may also wish to visit the website of the U.S. Commercial Service in Jordan at [www.buyusa.gov/jordan](http://www.buyusa.gov/jordan)

Travelers may wish to obtain the most recent travel advisory from the U.S. Department of State at [www.state.gov](http://www.state.gov)

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** of the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to one of the following websites: [www.usatrade.gov](http://www.usatrade.gov) or [www.tradeinfo.doc.gov](http://www.tradeinfo.doc.gov)

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